

ADOPTED 2005 BUDGET**DEPT:** DEPARTMENT OF PARKS AND PUBLIC INFRASTRUCTURE - AIRPORT**UNIT NO.** 5040**FUND:** Enterprise - 0076**OPERATING AUTHORITY & PURPOSE**

Milwaukee County operates and maintains General Mitchell International and Lawrence J. Timmerman Field Airports by authority granted under Chapters 59 and 114 of the Wisconsin Statutes. General Mitchell International Airport provides commercial, military and general aviation services. Timmerman Airport is primarily for general aviation. Under the

terms of the negotiated agreement between Milwaukee County and the signatory airlines, all operating expenses and debt service costs are recovered through rates and charges assessed to users (terminal and land rentals, concession fees and landing fees).

BUDGET SUMMARY				
Account Summary	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Personal Services (w/o EFB)	\$ 8,426,373	\$ 9,005,462	\$ 9,406,644	\$ 401,182
Employee Fringe Benefits (EFB)	2,952,385	4,700,348	4,992,581	292,233
Services	10,295,639	11,284,235	12,715,402	1,431,167
Commodities	1,408,531	1,714,760	1,830,810	116,050
Other Charges	327,642	246,240	311,100	64,860
Debt & Depreciation	14,657,074	14,748,263	15,059,214	310,951
Capital Outlay	460,008	1,186,650	1,686,100	499,450
Capital Contra	(207,823)	(718,650)	(951,100)	(232,450)
County Service Charges	10,519,199	11,156,969	11,779,966	622,997
Abatements	(117,025)	(673,502)	(647,857)	25,645
Total Expenditures	\$ 48,722,003	\$ 52,650,775	\$ 56,182,860	\$ 3,532,085
State & Federal Revenue	561,893	164,100	106,714	(57,386)
Other Direct Revenue	49,062,844	53,287,704	56,821,132	3,533,428
Total Direct Revenue	\$ 49,624,737	\$ 53,451,804	\$ 56,927,846	\$ 3,476,042
Indirect Revenue	283,199	287,960	318,359	30,399
Total Revenue	\$ 49,907,936	\$ 53,739,764	\$ 57,246,205	\$ 3,506,441
Direct Property Tax Levy	\$ (1,185,933)	\$ (1,088,989)	\$ (1,063,345)	\$ 25,644

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Central Service Allocation	\$ 374,070	\$ 411,152	\$ 485,012	\$ 73,860
Document Services	5,889	14,783	4,114	(10,669)
Tech Support & Infrastructure	63,710	52,772	43,602	(9,170)
Distribution Services	0	2,864	0	(2,864)
Telecommunications	10,483	8,244	0	(8,244)
Radio	9,916	8,677	9,027	350
Administrative Services (DPPI)	117,026	92,652	32,123	(60,529)
Personal Computer Charges	0	572	2,719	2,147
Applications Charges	40,702	81,786	71,261	(10,525)
Total Charges	\$ 621,796	\$ 673,502	\$ 647,858	\$ (25,644)
Direct Property Tax Levy	\$ (1,185,933)	\$ (1,088,989)	\$ (1,063,345)	\$ 25,644
Final Closing Entry	\$ 148,650	\$ 0	\$ 0	\$ 0
Total Property Tax Levy	\$ (415,487)	\$ (415,487)	\$ (415,487)	\$ 0

* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department. In this case, a surplus returned to the County.

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PERSONNEL SUMMARY				
	2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
Personal Services (w/o EFB)	\$ 8,426,373	\$ 9,005,462	\$ 9,406,644	\$ 401,182
Employee Fringe Benefits (EFB)	\$ 2,952,385	\$ 4,700,348	\$ 4,992,581	\$ 292,233
Position Equivalent (Funded)*	319,024.0	212.7	213.9	1.2
% of Gross Wages Funded	95.0	94.8	96.3	1.5
Overtime (Dollars)**	\$ 319,024	\$ 344,712	\$ 344,712	\$ 0
Overtime (Equivalent to Positions)	9.4	9.0	9.8	0.8

* For 2003, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

PERSONNEL CHANGES				
Job Title/Classification	Action	Number of Positions/ Total FTE	Division	Cost of Positions (Excluding Fringe Benefits)
Network Tech Specialist (Airport)	Create	1/1.0	Airport Operations	\$ 42,596
			TOTAL	\$ 42,596

ORGANIZATIONAL COST SUMMARY					
DIVISION		2003 Actual	2004 Budget	2005 Budget	2004/2005 Change
General Mitchell International Airport	Expenditure	\$ 48,426,868	\$ 52,859,402	\$ 56,355,057	\$ 3,495,655
	Abatement	(117,025)	(673,502)	(647,857)	25,645
	Revenue	49,642,264	53,463,664	56,983,588	3,519,924
	Tax Levy	\$ (1,332,421)	\$ (1,277,764)	\$ (1,276,388)	\$ 1,376
Timmerman Field Airport	Expenditure	\$ 412,160	\$ 464,875	\$ 475,660	\$ 10,785
	Abatement	0	0	0	0
	Revenue	265,312	276,100	262,600	(13,500)
	Tax Levy	\$ 146,848	\$ 188,775	\$ 213,060	\$ 24,285

MISSION

The Airport's mission is to plan, provide, operate, maintain and enhance efficient, cost-effective air transportation facilities that meet the present and future socio-economic needs of the region, airlines and tenants, while maintaining sensitivity to the residents in the environs of the Airports.

DEPARTMENT DESCRIPTION

The Airport has essentially one program: Air Transportation. This program includes all activities necessary for the efficient, day-to-day operation of General Mitchell International Airport (GMIA) and Lawrence J. Timmerman Field (LJT). In support of this program, operations are further divided into the following areas of responsibility:

Administration is responsible for marketing and public relations, accounting, payroll, budget,

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procurement, airside and landside business operations, including noise monitoring and abatement activities.

Safety and Environmental is responsible for capturing the costs and activities related to workplace safety, compliance with governmental safety requirements, glycol recovery programs, and wastewater treatment programs.

Maintenance is responsible for keeping the physical plants of the Airports in good condition, including custodial care of the entire GMIA terminal, generating the heating/cooling system needs and maintaining the electrical power supply to the terminal and airfields. Snow plowing and grass cutting are also handled by the maintenance staff.

Operations is responsible for safety and security functions within the airfield perimeters, working closely with other agencies and taking actions necessary to keep the Airports in compliance with Transportation Security Administration (TSA) standards and regulations. Operations also includes the GMIA fire department, which provides emergency response to aircraft incidents and medical emergencies involving the public, tenants and Airport staff.

Parking Operations records the various expenses of operating the parking structure, debt service and associated interest expense on the parking structure addition. In addition, this group oversees all GMIA ground transportation activities including taxi, shuttle, limousine and bus operators. Parking revenue fees are collected and accounted for by this section. .

BUDGET HIGHLIGHTS

- Personal Services without fringe benefits increased \$401,182 from \$9,005,462 to \$9,406,644. Funded positions increased by 1.2 from 212.7 to 213.9.
- Following the September 11, 2001 terrorist attacks in the United States, the Airport undertook a major security initiative that was included in the 2002 Adopted Budget. These measures included, but were not limited to:

- An increased level of security/law enforcement patrols for surveillance, deterrence and response functions in both terminals and adjacent areas.
- Increased security inspections in terminals.
- Increased number and frequency of random identification checks.
- Having response available on request for explosive ordnance disposal and tactical teams, as well as K-9 or electronic explosive detectors.
- Restrictions on curbside check-in and authorized vehicles parked within 300 feet of a terminal building where passengers load and unload.
- Increased perimeter patrols.

To implement this initiative, additional Deputy Sheriff positions were added to the Airport complement and crosscharged to the Airport.

These security measures will continue for the foreseeable future, and the cost will be included in the rates charged to airlines using the Airport. The cost of security included in this budget consists of Sheriff Services at \$6,212,882 contract service security at various points on the property at \$795,600 and a contract to tow unauthorized vehicles for \$20,000, totaling \$7,028,482. Limited federal or state reimbursement for security costs is anticipated in this budget (\$100,000).

In comparison, Sheriff charges for 2000, the last full year not impacted by the terrorist attacks, were \$1,295,908. Non-reimbursed costs are paid by the Airlines in compliance with the long-term lease agreement resulting in no tax levy impact on Milwaukee County.

- \$42,596 Create 1 Network Tech Spec

One new position of Network Technical specialist is created to support Airport-Exclusive Systems and applications.

- Construction of a parking structure addition of 2,951 parking spaces began in 1999 with relocation and construction of infrastructure. This \$81 million project was financed with General Airport Revenue Bonds (GARBS)

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issued in mid 2000. Beginning in 2003, debt service of \$8,031,000 became part of the Operating Budget. An additional bond for \$7.125 million was issued in early 2003 to complete this project. Debt service costs in 2005 of \$8,833,614 are comprised of principal (\$4,050,000) and interest (\$4,783,614) covering both bond issues.

- Appropriations for Contract Services increase \$1,431,167 from \$11,284,235 to \$12,715,402. This increase is primarily the result of increases in the operation and administration of public parking (a computerized parking revenue system and shuttle costs), utilities expenses and credit-card processing fees. Public parking administration and operation increased \$461,000, from \$4,300,000 to \$4,761,000. Utilities increase \$466,192, from \$2,351,500 to \$2,817,692. Credit card processing fees increased \$215,000 from the 2004 Budget amount of \$35,000 to \$250,000 in the 2005 Budget.
- Commodities increase \$116,050, from \$1,714,760 to \$1,830,810. Of this amount \$52,000 is due to the need to purchase updated operational software to replace obsolete DOS based systems or upgrade aging systems to retain operational efficiency. The balance of the increase reflects general price increases being experienced this year.
- Other Charges, which includes depreciation and debt service increases \$375,811, from \$14,994,503 to \$15,370,314 primarily due to the inclusion of increases to required debt reserves that need to be funded from operations. Depreciation is budgeted to be \$6,162,100 compared to \$6,261,200 in 2003. Debt service includes payment on principal of \$4,050,000 and interest of \$4,783,614.
- The appropriation for capital items included in operations is \$735,000. This amount includes the major maintenance projects of \$200,000 to resurface one-third of the main employee parking lot; \$250,000 for an ongoing project to do crack filling on the asphalt shoulders of runways and taxiways; \$100,000 to refurbish and repaint the steel canopies over exterior sidewalks; \$80,000 to repair membranes and

surfaces in the older section of the parking structure; \$80,000 to replace the 4" sewer line on the East side of the terminal; and \$25,000 for the removal of underground storage tanks and installation of above ground waste oil tanks on the South end of the property.

- The appropriation for items to be acquired and capitalized totals \$951,100. Some of the items that make up this total are a Flight Information Display System (FIDS) for \$240,000, a replacement of an old "DOS" based weather system for \$40,000 a replacement of a compressor and generator for \$56,000, a replacement of high-speed broom core for \$48,000, and the purchase of several large mower units for \$34,000.
- The Airport budget has a total tax levy surplus of \$415,487 in conformance with the terms of the 25-year agreement with the airlines with regard to operations.
- The 2005 Budget reflects a zero wage increase for all represented, non-represented and Executive Compensation Plan (ECP) positions. In addition, ECP positions are not provided step increases or performance awards in 2005 as allowed in County Ordinance Section 17.265 (3).
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."

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ACTIVITY AND STATISTICAL SUMMARY				
	2002 <u>Actual</u>	2003 <u>Actual</u>	2004 <u>Budget</u>	2005 <u>Budget</u>
Passengers:				
Enplaned	2,815,984	3,074,422	3,000,000	3,250,000
Deplaned	<u>2,797,840</u>	<u>3,067,702</u>	<u>3,000,000</u>	<u>3,250,000</u>
Total	5,613,824	6,142,124	6,000,000	6,500,000
Revenue Landing Weight (1,000 lbs)	5,619,586	5,603,977	6,100,000	5,800,000
Air Freight (1,000 lbs)	190,544	184,605	199,000	195,000
Aircraft Operations (Takeoffs and Landings)				
Commercial	179,260	177,756	180,000	190,000
Military	4,814	4,318	5,100	4,500
General	32,105	29,344	35,000	32,000
Timmerman	<u>77,817</u>	<u>72,514</u>	<u>77,000</u>	<u>75,000</u>
Total	293,996	283,932	297,100	301,500